Scancell

Successful upsized placing raises over £10m

1 December 2023

- Scancell has raised £10.7m through an upsized Placing to new and existing institutional shareholders through an accelerated bookbuild that successfully raised £10.6m (gross) overnight, and a Subscription for Board members which raised £80k, all at an issue price of 11.0p. An additional up to £2m may also be raised through an Open Offer to all qualifying shareholders, based on 1 share for each 45 qualifying shares, with an option for shareholders applying for their full entitlement to also apply for additional shares through an Excess Application Facility. The Open Offer circular is expected to be issued on or around 4 December, with the Open Offer shares expected to be admitted for trading on or around 20 December. Shares from the Placing component are expected to be admitted on or around 5 December.
- The capital raise follows a series of encouraging clinical results across Scancell's pipeline. Impressive data in September from the Phase II SCOPE study demonstrated SCIB1 in combination with the checkpoint inhibitors (CPIs) ipilimumab (Yervoy) and nivolumab (Opdivo) in advanced melanoma achieved an objective response rate (ORR) of 82%, with no increase in toxicity. This compares favourably with currently achievable ORRs (doublet CPI therapy response rates are around 48-58%). In November two further responders (11 out of 13 patients) brought the ORR to 85% and, importantly, one patient achieved a complete response.
- SCOPE is now in the second stage, recruiting another 27 patients (for a total of 43 patients). The aim is to achieve 18 responses (ie 27 responses in total) to demonstrate SCIB1 can exceed currently achievable ORRs. The strength of the initial results means this stage has a 90% probability of success, with data expected in H124. SCOPE will also transition in Q124 to the improved second-generation iSCIB1+ construct, which is enhanced with AvidiMab. This is more potent and capable of addressing all melanoma patients.
- The Moditope therapeutic vaccine platform is also progressing well. ModiFY is an adaptive 100+ patient open label Phase I/II study exploring Modi-1 alone and in combination with CPIs in a variety of hard-to-treat cancers. Encouraging results have been seen in a number of settings. The clean safety profile means ModiFY is moving into the expansion cohorts, including with CPIs. Early clinical data are expected to become available through 2024.

Trinity Delta view: Scancell's successful upsized >£10m placing removes financial uncertainty and, assuming similar success in the Open Offer, means the cash runway now extends to late 2025. This covers the important clinical milestones for both SCIB1 and Modi-1 programmes and could be extended further through the partnering or out-licensing of selected programmes from the GlyMab and AvidiMab antibody platforms. As usual in such situations we suspend our valuation and forecasts, but for context our last published rNPV based valuation for Scancell was £300.1m, equivalent to 36.7p/share.

Price	10.98p
Market Cap	£91.8m
Primary exchange	AIM
Sector	Healthcare
Company Codes	SCLP.L
Corporate client	Yes

Company description:

Scancell is a clinical-stage immuno-oncology specialist that has four broadly applicable technology platforms. Two are therapeutic vaccines, Moditope and ImmunoBody, and two are antibody based, GlyMab and AvidiMab.

Analysts

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